

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF HENDERSON-UNION)	
RURAL ELECTRIC COOPERATIVE)	CASE NO. 9164
CORPORATION)	

O R D E R

IT IS ORDERED that Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record, by February 22, 1985, or within 2 weeks after the date of this Order, whichever is later. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided elsewhere in this record, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, reference can be made to the responses filed in Case No. 9007, Rate Adjustment of Henderson-Union Rural Electric Cooperative Corporation, which can

be incorporated into the record under this docket. Similarly, references may be made to the original application where appropriate. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. With reference to Henderson-Union's response to Item No. 1 of the Commission's Information Request dated December 27, 1984, provide a pro forma income statement incorporating the proposed adjustments proposed therein. Reference each proposed adjustment to the appropriate account number in the Uniform System of Accounts for Class A Electric Utilities.

2. With reference to Item No. 2 of the Additional Testimony by Mr. John West, provide a detailed calculation of the derivation of \$191,000 as the cost of employee pension contribution for 1984. Also, provide a narrative explanation of the current method used by Henderson-Union to make this calculation and explain any changes from the method used in the test year.

3. Does Henderson-Union anticipate increased electricity costs for office use, Commission assessment taxes, and other expenses related to increased purchased power costs and higher revenues to result from the flow-through? If so, provide calculations for these adjustments.

4. With reference to the response to Item No. 23 of the Commission's Information Request dated December 27, 1984, provide any evidence Henderson-Union deems appropriate as to why the

\$160,521 charge to Account No. 435.1--Extraordinary Items should not be excluded from test year operations for rate-making purposes.

5. With reference to the response to Item No. 1, Sheet 5, Adjustment No. 7, of the Commission's Information Request dated June 1, 1984, incorporated into this docket by reference by Henderson-Union in its response to Item No. 1 of the Commission's Information Request dated December 27, 1984:

a. What is the basis for the methodology used to compute the \$133,163 adjustment to revenue?

b. Why was a 4-year average load factor, 1979-1982 selected?

c. Were any other factors considered that may have effected the average monthly load factor?

6. Provide a copy of Henderson-Union's 1984 Audit Report as soon as it becomes available.

7. On Exhibit I of the original application the amount of the increase in revenue is \$7,733,152; however, the difference between the annualized revenue, shown in the response to Item No. 18 of the Commission's Information Request dated December 27, 1984, and the proposed revenue is \$6,997,713. Provide a reconciliation between the two amounts and an explanation of why they should not be the same or a revised Exhibit I.

8. In the event absorption is deemed necessary by the Commission, would Henderson-Union want to make any changes in the

way they have proposed for the revenue increase to be included in the rates? If so, provide a detailed explanation of such a proposal.

Done at Frankfort, Kentucky, this 7th day of February, 1985.

PUBLIC SERVICE COMMISSION

Robert D. Hemmick
For the Commission

ATTEST:

Secretary